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SUBJECT: DARFURQA DIFFICULT ENVIRONMENT FOR FOOD AID

SUMMARY

¶1. From August 29 - 31, USAID staff members visited El Fasher, North Darfur, to follow up on reports that food aid commodities were for sale in El Fasher markets and to discuss the food aid program with the UN World Food Program (WFP). WFP indicated that problems with ration sales, concern for fraud with ration cards, excess commodities not returned to the stock after distributions, and the acceptability of and taste preference for commodities were current issues they are working on resolving. End summary.

Background

¶2. In early 2005, representatives of the European Commission (EC), the UN Food and Agriculture Organization (FAO), WFP, and USAIDQs Office of Food for Peace jointly decided to raise the monthly cereal ration for internally displaced persons (IDPs) from 13.5 kg per person to 15.0 kg per person in an attempt to inject cereals into the markets at a time when cereals were scarce. IDPs were expected to sell some of their rations in order to buy other ingredients, condiments, and other household items. Such sales still occur despite the reduction in cereal ration to the normal monthly amount of 13.5 kg per person, which occurred at the beginning of 2006.

Weaknesses in Food Aid Management

¶3. The team discussed the findings with WFP in El Fasher, which was aware that significant amounts of food aid were regularly found on the market and openly admitted that these findings corresponded with the results of the post-distribution monitoring interviews conducted in the IDP camps. In these interviews, WFP learned that IDPs, on average, sell between 10 percent and 15 percent of their food ration to obtain other items. Given that 2,000 metric tons (MT) of food aid

are distributed every month to IDPs living in camps as well as IDPs living in El Fasher town, one could expect a monthly turnover of between 200 MT and 300 MT of food aid on the market. It is worth noting that even after a missed monthly distribution in June, food aid on the market did not noticeably diminish, according to El Fasher-based WFP staff. Reportedly, wheat is not a preferred commodity in El Fasher, as are millet and sorghum, and is being sold at a price between SD 1,200 to SD 1,500 (approximately USD 5.70 to USD 7.14) per 50 kg bag.

¶4. A camp management agency reported that IDPs would not permit WFP cooperating partners to depart from a camp after the completion of a food distribution with excess commodities. WFP stated that this would cause a riot, and that the current practice is to distribute all commodities brought to the camp to avoid confrontation. However, the camp management agency noted that IDPs would allow a WFP truck to depart with excess commodities, since WFP is trusted to return the balance to the warehouse. This problem has resulted in the distribution of excess food commodities and opens another avenue for food aid to be taken to market. Potentially, this opportunity to sell excess commodities could encourage an oversupply to the camp or under-distribution to beneficiaries and create surplus for sale after distribution is completed.

¶5. Another reported weakness in food aid management procedures is that some community leaders arrive at the distribution site with a handful of ration cards that they then distribute to certain individuals. WFP staff commented that it is unclear whether the leaders

KHARTOUM 00002376 002 OF 003

safeguard the cards from month to month or whether this is a scam orchestrated by the leader to receive several rations by sending individuals to collect the food. WFP staff who are present during distributions need to better monitor the origins of the cards and the end recipient.

¶6. Corn-Soy Blend (CSB) reportedly is not appreciated by the IDPs in North Darfur. Rumors of CSB being used as animal feed circulate in El Fasher and Khartoum. CSB can be found for sale in El Fasher at the price of SD 600 to SD 700 for a 25 kg bag (approximately USD 2.86 to USD 3.33). WFP noted that in some parts of Darfur, cooking demonstrations have resulted in acceptance and utilization of the commodity. These demonstrations should stress the value of using the commodity as an ingredient in the daily meal for its micronutrient content rather than as a separate dish once in a while.

¶7. The general ration distribution to IDPs living in El Fasher town has been a point of contention between WFP and the Humanitarian Aid Commission (HAC). WFP attempted to terminate the program after an initial phase, but HAC officials were adamant that the program continue. A compromise was found in the distribution of a half-ration to urban populations. A switch to targeted programs for this population group would be preferable. In a briefing following the field visit, WFP staff in Khartoum noted that in the current tense climate in Darfur it would be counterproductive to attempt such program changes. The visiting team agreed and suggested the option be kept open for future discussions.

¶8. Reportedly, truckers have found it profitable to load WFP wheat from a storage hub in Sudan and sell it on the market in Khartoum where 90 kg generate SD 12,000 (USD 57.14). Instead of the wheat, cement is transported to El Fasher, where it attains a high price. Truckers claim that cement transport is less prone to

highway attacks and is considered safer. The trucker then buys the appropriate amount of wheat on the El Fasher market and delivers it according to the WFP waybill. WFP in Khartoum confirmed that it has investigated this scam. The value of the misused food aid is being subtracted from the trucking company's invoices to recover the loss.

WFP Responses to Issues Raised

19. On September 5, USAID staff briefed WFP representatives in Khartoum on the findings from El Fasher. WFP confirmed that the presented findings were well-known and were being addressed in partnership with WFP headquarters in Rome. Many of the issues reported on above were revealed in the Joint Food Security Report of 2005. WFP pointed out that in the initial phase of the crisis the focus was on "getting the food to the people" at the expense of not having ideal control mechanisms in place. The WFP official noted that the crisis was so immense that expedience in moving food to the beneficiaries came at the cost of accountability. WFP agreed that it is time to strengthen program accountability measures and control mechanisms. However, WFP reiterated that the current tense relations between the UN and the GNU make it exceedingly difficult to negotiate changes to the food aid program. WFP made the following points:

-- The misuse of CSB was of particular concern to WFP because of its high cost. WFP will ask the nutritionists to assess the need for CSB in the general rations prior to formulating the 2007 program plan and may opt to restrict its use to the supplementary and therapeutic feeding programs;

-- WFP will resume market monitoring to investigate the source of the food aid on the El Fasher market and

KHARTOUM 00002376 003 OF 003

identify ways to address the problem. (Note: The same subject was discussed with the Humanitarian Aid Department of the European Commission (ECHO). The ECHO representative strongly defended the marketing of some of the food rations as a means of coping with the wider consequences of displacement. The representative considered the argument that it is uncertain whether the beneficiary household ultimately receives its fair share an intrinsic risk. End note.); and

-- Ration card fraud is a common problem particularly in programs with general food rations. WFP noted that the earlier re-registration of IDPs in camps greatly improved the credibility of beneficiary numbers.

Analysis and Recommendations

10. WFP operates a very large program in Darfur with more than 2.8 million targeted beneficiaries for general food rations, of whom 96 percent were reached in July as reported by WFP. USAID staff note that WFP recognizes the weaknesses in its food aid procedures and has taken corrective measures where they are possible. Given that major changes to the food aid program are particularly difficult to negotiate, when the relationship between the UN and the Government of National Unity (GNU) is strained, it would be counterproductive for WFP to press HAC too hard for changes until the present impasse between the UN and the GNU has been overcome. WFP offices in North Darfur and Khartoum are open and frank about the weaknesses and are actively engaged in improving the situation where it is possible. USAID

will monitor the anticipated improvements on an ongoing basis.

HUME